



SHANNON SALMON  
VICE PRESIDENT  
FEDERAL AFFAIRS  
CORPORATE STAFF

1350 Eye Street, N.W.  
Suite 1210  
Washington, DC 20005-3305  
TEL (202) 289-1021  
FAX (202) 589-1001

June 9, 2004

The Honorable Bill Thomas  
Chairman  
Committee on Ways and Means  
1102 Longworth House Office Building  
Washington, D.C. 20515

Dear Mr. Chairman:

I write to express Johnson & Johnson's support for the American Jobs Creation Act of 2004 (H.R. 4520), your legislation that would bring the United States into compliance with its World Trade Organization (WTO) obligations by repealing ETI, as well as making a number of important changes to the corporate and international tax laws of the United States. Johnson & Johnson is the world's most comprehensive and broadly based manufacturer of health care products, as well as a provider of related services, for the consumer, pharmaceutical and medical devices and diagnostics markets.

It is vital that the United States, as a chief beneficiary of a rules-based trading system, respect its international trade commitments. By complying with adverse WTO decisions, we hopefully lead by example so that our trading partners – especially developing countries new to the global trading system – will similarly comply with unfavorable trade decisions. In addition, repealing ETI will lift the mounting trade sanctions currently being imposed by the European Union on many U.S. products.

We are particularly enthused that H.R. 4520 includes the Homeland Investment Act provision, which will enable many U.S. companies to repatriate funds currently trapped offshore so that they may be put to productive use here in the United States. We believe that this provision will prove enormously beneficial to the U.S. economy.

In addition, we support many of the long-overdue changes to our international tax laws contained in H.R. 4520. As you know, our current international tax rules were created in the 1960s and reflect a mid-20<sup>th</sup> century view of how American businesses operate in overseas markets. Business realities have changed drastically since then and our international tax rules should be updated to reflect those changes. Your bill makes important steps in that direction and we support those efforts.

Finally, a robust tax incentive for research and development is vital to keeping the U.S. the world leader in innovation. The inclusion of an extension of the R&D tax credit in H.R. 4520 is critically important.

Johnson & Johnson thanks you, Mr. Chairman, for the introduction of H.R. 4520 and we offer our assistance to you in moving the legislation forward.

Sincerely,

A handwritten signature in black ink, reading "Shannon Salmon". The signature is written in a cursive, flowing style with a large initial 'S'.

Shannon Salmon